



Republic of the Philippines
Province of Iloilo
Municipality of Tigbauban
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RECEIVED

SP MEMBER PRADO

OFFICE

DATE: 7/6/02

TIME: 3:15 P.M.

BY: [signature]

OFFICE OF THE SANGGUNIANG BAYAN

EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE HONORABLE SANGGUNIANG BAYAN, TIGBAUAN, ILOILO HELD AT THE CONFERENCE ROOM, TIGBAUAN MUNICIPAL BUILDING, TIGBAUAN, ILOILO ON JULY 23, 2002 AT 2:00 P.M.

PRESENT:

HON. JESSIE G. TERRE,
HON. AGATON O. TUMABOTABO,
HON. ROMEO T. LEDESMA,
HON. REMEDIOS T. TORRATO,
HON. FERNANDO M. VALENCIA,
HON. CECILIA T. GARRIDO,
HON. GEORGE T. TRIBUNAL,
HON. REXFEL G. TRIVILEGIO,
HON. ALFONSITO E. ESTOCE,

Vice Mayor & Presiding Officer
Councilor
Councilor
Councilor
Councilor
Councilor
Councilor
Councilor
Councilor

ABSENT:

HON. RAMONITA T. ALCALA,

President, Liga ng mga Brgy. (On Leave)

Resolution No. 2002-069

RESOLUTION STRONGLY URGING PRESIDENT GLORIA MACAPAGAL ARROYO TO ABOLISH THE PURCHASED POWER ADJUSTMENT (PPA), BECAUSE IT IS ABSOLUTELY UNJUST, ONEROUS, OUTRAGEOUS, AND GROSSLY ANOMALOUS FOR POWER CONSUMERS, ESPECIALLY THE POOR, TO PAY FOR ELECTRIC POWER THEY DO NOT USE

WHEREAS, the collection of Purchased Power Adjustment (PPA) is a heavy additional charge imposed by the National Power Corporation (NAPOCOR) and power distribution utilities like the MERALCO, the Iloilo Electric Cooperative (ILECO), etc. upon all power consumers;

WHEREAS, PPA is a painful burden to power consumers, especially the poor, with an average 50 to 60 % percent additional monthly charges for electricity they do not use, including expenses NOT RELATED to electric power generation such as maintenance and office expenses, etc.;

WHEREAS, due to the energy crisis in the early 1990s, the government under then President Ramos had contracted with Independent Power Producers (IPPs) to supply electricity, but because of public outcry against the PPA, these contracts with IPPs were recently reviewed and discovered to be mostly lopsided, defective, and utterly disadvantageous to the people/end-users;

WHEREAS, as early as 1994, the World Bank had warned then President Ramos of an over-supply of electric power, but instead, he continued to sign lopsided contracts with IPPs up to June 1998, and guaranteed that all power generated by these IPPs, including surplus and unused supply, "will be paid and assured for 15 to 25 years";

WHEREAS, we have at present a power over-supply of more than 60% percent megawatts, which we are paying by way of the PPA, although we are not using this power, hence this outrageous situation;

WHEREAS, reportedly, "...the nationwide PPA collection amounts to an average of P96 Billion Pesos a year," while the PPA collected by ILECO from municipalities within its coverage "is TWO HUNDRED TWENTY THREE MILLION PESOS (P223,000,000) per year", or more;

WHEREAS, by forcing us to pay for electricity we are not using, PPA is a mechanism excessively abusive and confiscatory, and therefore unconstitutional;

WHEREAS, Section 34 of RA 9136 otherwise known as the Electric Power Industry Reform Act (EPIRA), allows NAPOCOR, and power distribution utilities like MERALCO, ILECO, etc., to pass on to consumers the costs incurred due to defective contracts signed with IPPs, and this RA 9136 should therefore be repealed by Congress "...because it legalizes the collection of the PPA";

WHEREAS, it is the popular cry of our people (mostly the poor who now lead lives of quiet desperation), that the abolition of this PPA must be immediate and permanent;

NOW, THEREFORE, on motion of HON. ROMEO T. LEDESMA, Chairman, SB Committee on Good Government, Public Ethics, Accountability, and Civil Service, and duly seconded by HON. REMEDIOS TORRATO, HON. CECILIA GARRIDO and HON. GEORGE TRIBUNAL, BE IT

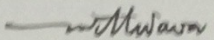
RESOLVED, to strongly urge President Gloria Macapagal Arroyo to abolish the Purchased Power Adjustment, (PPA), because it is absolutely unjust, onerous, outrageous and grossly anomalous for power consumers, especially the poor, to pay for electric power they do not use,

RESOLVED FURTHER, to forward copies of this resolution to PRESIDENT GLORIA MACAPAGAL ARROYO, and to the following for their information and appropriate action:

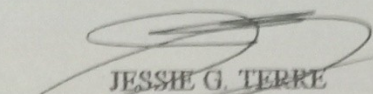
1. The Supreme Court
2. The Senate President
3. The Speaker of the House of Representatives
4. The Secretary, Department of Energy
5. The General Manager, National Power Corporation (NAPOCOR)
6. Energy Regulatory Commission
7. The General Manager, ILECO 1,2,3
8. POWER of Iloilo (People Opposed to Warrantless Electricity Rates)
9. HON. IGMEIDIO PRADO
Pres. Phil. Councilors League-Iloilo
Prov. Capitol, Iloilo City
10. Assn. Of Brgy. Captains

I HEREBY CERTIFY that the foregoing Resolution was approved by the Sangguniang Bayan.

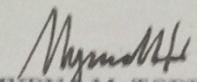
CERTIFIED CORRECT:


MARLENE T. NAVA
S.B. Secretary

ATTESTED:


JESSIE G. TERRE
Vice Mayor & Presiding Officer

NOTED:


MYRNA M. TORRES
Municipal Mayor